

Thank you.

NOTE: The President spoke at 11:36 p.m. in the Main Hall of Hartford Union Station.

Remarks to Business Leaders in Stamford, Connecticut *October 7, 1996*

Thank you so much. Thank you, Carolyn Straddle, for reminding us ultimately of what free enterprise and opportunity are all about: giving people a chance to live up to the fullest of what God put inside them, a chance to live out their dreams, a chance to do right by their children, a chance to inspire others. Thank you, Bill Esrey, Paul Allaire, and George David, for your support and for your statements.

I'd like to thank the people from our administration who are here today who helped us to put this remarkable group of business leaders together. Thank you, my old friend Eli Segal. Thank you, Mack McLarty. Thank you, my campaign manager, Peter Knight. Thank you, Laura Tyson. Thank you, Alexis Herman, Nancy Rubin. There may be lots of others, but I saw those people here. I'll get a checklist, and we'll see how good a grade I made when this is over. *[Laughter]*

I'd like to thank Mayor Malloy for welcoming us here to Stamford. I'm glad to be here. And I thank Mayor Ganim from Bridgeport. I think he's here. And Governor Howard Dean from Vermont came in with me today, and we're going on from here to New Hampshire and Maine. And thank you, Governor.

And I want to say a special word of thanks to Connecticut's remarkable United States Senators, Chris Dodd and Joe Lieberman, who are here to my right. Thank you very much. Chris Dodd and Joe Lieberman are two of the happiest people in the country with this announcement today of these 2,500 plus leaders of American business supporting our campaign—a few hundred here today—people from all 50 States. We have people from 35 States here today, even people who came all the way from Alaska to be here. I thank you.

They are—I say that Chris Dodd and Joe Lieberman are the happiest people because they, like I, have wondered for years why the Democratic Party should not have at least as much or more support from American business

as the other party. And we never thought that being—or helping ordinary people live up to their full potential was inconsistent with trying to build a strong business environment. In fact, I thought it was a precondition for helping people to live out their dreams.

This is a country with a strong private economy. And if it doesn't work, then our aspirations for all the people we want to help can never, never, never be fulfilled by anything the Government does. If there is not an effective partnership that is founded on a successful private economy, the rest of our endeavors are doomed to be thwarted.

And so, Chris, as chairman of our party, and to my longtime friend Joe Lieberman as the chairman of the Democratic Leadership Council, which has been an engine of such a bevy of good ideas to move our country forward, I want to thank both of you for your work, and this is your achievement today. Thank you.

I was thinking when I was listening to George and Paul and Bill and Carolyn talk, and then I was looking at the people out here in the crowd that I know and the people here behind me—we have the heads of great corporations here, the biggest companies in the country. We have people here who represent cutting edge companies who are developing new frontiers of knowledge. We have people here doing old-fashioned American work better than it has ever been done before. We have people here in this audience who come from long lines of American business families who have, generation after generation, been prominent in the American free enterprise system. We have people here like Carolyn, who started with nothing, or my friend Katie Hancock, who started out of her kitchen in Arizona in 1981, a long distance company. And all different—we have American immigrants back here. We have African-Americans, Hispanic-Americans, people who came to this country without a penny in their pocket.

I was talking to a friend of mine the other day who lives in Florida, who has—I believe he's got 10 children now, who came to the United States from the Philippines with one dollar and now has quite a few more. [Laughter] Thanks to—he had an idea and turned it into a business and gave opportunity to people.

I wrote about some of these businesses in my book, and I talk about them all along, but you see here today how our country works at its best. This country is better off than it was 4 years ago not because of anything any of us did alone, including the President. Our job is to create the conditions and to try to give people the tools to make the most of their own lives, and we have done our best to do that. But you can see what happens when we all work together. And that is my commitment to you, to do that for 4 more years, to try to build that bridge to the 21st century.

I had a simple strategy. Bill said he liked it when someone has a simple strategy and goals and all that. I believe that a country, just like a company, big, small, or medium-sized, has got to have an animating vision and a strategy for carrying out that vision and some way of having benchmarks along the way to see if you're doing what you ought to be doing, and not just on economic issues but also on social issues.

One of the things that struck me when I traveled the country in 1991 and 1992 was how many people had just sort of given up on dealing with our social problems. They just sort of thought: Well, that's just sort of the transaction cost of being in America in the 1990's: high crime, intractable welfare problems, exploding out-of-wedlock birth rates. This is part of being American, part of being in this world; it's not just our country, it's every place else, nothing to be done about this.

And I basically don't believe that. I think all—just as I know the Bible tells us we'll have problems until the end of time because of flaws in human nature, I believe that. But I also believe we at least ought to be given new problems. [Laughter] I want my successors to have a new set of challenges to deal with.

And so we had an economic strategy to keep the American dream alive for everybody who was responsible, to keep our country the strongest force in the world, to bring our people together, and a stronger sense of community so that we'll be strengthened by our diversity, when every day all you have to do is pick up the

paper or watch the evening news to see that differences among people, racial, ethnic, religious, and other differences, are tearing the heart out of societies and regions all around the world.

In America we're turning all those differences to our advantage. And I think more and more we're getting comfortable with the fact that we are more than ever still a nation of immigrants and that there are more immigrants from more different places and that we have these differences. And it's a great asset in a global economy that we're all so different. As long as we share a common set of values and we show up every day and do the right thing, it's in a way our meal ticket to the future. And the strategy we have pursued to try to expand opportunity, to try to tackle our social problems and generate more responsibility, and to keep building that American community, and then reaching out to the rest of the world, has worked.

My economic benchmarks were cut the deficit in half, see if we can't have 8 million jobs. We wound up with a 60 percent cut in the deficit and 10½ million jobs, thanks to you and people like you all across the country. And I thank you for that.

And I'd like to point out that we have—of these new jobs, the largest percentage of these jobs are private sector jobs—93 percent—than any recovery since the end of World War II—fewer Government jobs, more private jobs, any recovery since World War II. The Federal Government is about 250,000 smaller, just under 250,000. State and local governments have grown, but overall, the net contribution to those 10½ million jobs from the Government sector is 7 percent. Your contribution is 93 percent. And that's because, in no small measure, we are now adopting a lot of the techniques, improved productivity that many of you have incorporated over time. So we're moving in the right direction.

We have expanded exports to historic levels with 200 trade agreements, 21 with Japan alone. And they make a difference.

We have worked to try to help create more success stories like Carolyn. When I became President the expensing provisions for small businesses were \$10,000 a year. They're \$25,000 now. If you're just starting, that's a whole lot of money. It makes a big difference if you have to invest more when you're just starting out.

We've reformed the pension laws as the White House Conference on Small Business asked us to do to make it easier for people to take out 401(k) plans and then for the employees of small businesses to carry it around job to job with them in a way that doesn't discriminate against employers if they let them bring those plans with them, a very important issue. We made the health insurance premiums more deductible for self-employed people. And we're moving to do some other things that I believe will make health insurance more affordable. So these things are important.

The Small Business Administration cut its budget and doubled the loan volume. And I'm proud of that. And I might add—we had a huge increase—we have increased loans to people in all categories. We had big increases in loans to women and minority business owners, and we didn't change the standards a bit. We just went out and looked for people who were good people who had good ideas and tried to make sure they had a good chance to compete.

So we have more to do. We were visiting before I came out here. One of the people up here on the stage, John Correnti from Nucor, said, "Remember, the only thing I ever asked of you was low interest rates. I'll do the rest." [Laughter] He's laughing back there, but it's true. In order to do that we've got to continue this work on balancing the budget. We have to do it in the right way.

There are others here who need in that balanced budget a strong American research budget. We've got another billion dollars in research in our balanced budget over 7 years. That's an important part of our future.

Even IBM—we're doing a joint project with IBM. Some of you have heard me say this before: We're going to build a supercomputer that will do more calculations in a second than you can do with a hand-held calculator in 30,000 years. This dilemma about do you trust the Government or the people, that's not it. The Government is just the people, acting together—just the people acting together.

There are some things that we can do better together than we can do alone. We can't expect a lot of these initial investments to be made without Government research. The Internet is the product of a publicly funded research effort now being turned over to the private sector, as it should be. We don't know how to run things like that, but the initial research, the

ideas, the development should be done with a contribution from the public sector where it's appropriate. The same thing is true in medical research, a lot of other areas. So we've got to keep doing that, and I feel very strongly that we can.

Let me just say a word about the whole litany of other issues I've told you about—the social problems—to get to the welfare issue that I wanted to talk about today. I went around the country and discovered that there were lots of places where the crime rate was going down, not going up. But it was going down for some very simple and straightforward reasons. The police were going back to the streets again and not staying in their cars. They were working with neighborhoods. They knew kids on the street. They were preventing crime. They were being deployed in ways that prevented crime more and caught criminals quicker. And they wanted some help.

And the crime bill of '94 was designed to put another 100,000 police on the streets because in the previous 30 years, violent crime had tripled as our population had gone up and got more violent. But we'd only increased our police forces by 10 percent, and we hadn't redeployed them. And because there were not enough of them, they were increasingly driving around in cars, isolated from the action.

So that's what the crime bill was all about, to increase the police forces by 20 percent, to put the police out there to prevent crime, and the assault weapons ban, the Brady bill, and all the rest. And it's working and that's—so we're contributing to a nationwide determination to get the crime rate down.

We're now trying to get a million more volunteers, citizens to work in citizen patrols. And a lot of the people in the telecommunications business had offered us phones for citizens patrols to go out there and work with the police.

San Diego, California, where our next debate is, you'd think they would have terrible problems with crime. It's right there on the border, and we do a lot of work to stem illegal immigration—the fifth lowest crime rate of any major city in America, partly because they have huge numbers of retirees in citizens patrols, working those neighborhoods in partnership with the police, protecting the kids, going forward. So we can do something about that.

The teen pregnancy rate has gone down for 4 years in a row and out-of-wedlock pregnancies

as a whole dropped in 1995 for the first time in 20 years because of local grassroots community efforts that are working.

So these things can be done. One good evidence that the private sector, too, is contributing to this, I might add, was the census report on the economy that comes out every year. And last week we learned that in 1995, for the first time in a long while, all classes of working people, without regard to their incomes, had an increase in their income. And that represented the biggest decline in income inequality among working people in the United States in 27 years. That's a tribute to the business sector working to let people share in the growth of the economy.

So I say this to set this welfare issue up. It is not true that you can't do anything about social problems. That is not true. And we have to, first of all, say to everyone in America, get that out of your mind. Now, it is also not true that you can ask people in business to make their primary mission solving a social problem if it is inconsistent with the mission of business.

Here is the welfare dilemma; I worked on welfare reform for 16 years. I've been in welfare offices. I've talked to lots of folks on welfare. I've talked to people who work with people on welfare. They all pretty much say what Carolyn said. Nearly everybody who is on it wants to be off. Nearly everybody who is not working is willing to work. But what's happened is that the fundamental nature of the population on welfare is very different from what it was 60 years ago when that program started. And now we live in a society where most people work and most parents work even when their children are young. And most people on welfare have become increasingly unemployable and isolated from the rest of us. At least that's true for about half of them.

Now, in the last 4 years, the welfare rolls have gone down by almost 2 million, because we've worked with people like Governor Dean, who is here, with the Governors. We've had—43 States have established new partnerships with the Federal Government, to get out from under outdated rules, to change the welfare system to meet the needs of the new population, to move people from welfare to work. That, plus a growing economy, helped us to reduce the welfare rolls by 2 million.

Now we're left with people like the folks that Carolyn works with in Georgia. And we have

to make greater efforts. I signed the welfare reform bill amidst great controversy. You all know it was very controversial. I vetoed the first two bills because they took the—one of them took the guarantee of Medicaid coverage, the health care coverage, away from families on welfare, which I thought was a mistake, and messed with the school lunch program. They both did that, and I thought it was wrong.

The third bill did not do that. Here's what it does. Here's what the bill that I signed does. It says, in this new system the National Government will continue to guarantee health care for poor families and nutrition and, if the welfare recipient goes to work, more money for child care than ever before. You heard her say that's a big problem. But what used to be the welfare check—the welfare check now goes to people once a month; it's part Federal money, part State money. What used to be the welfare check, we're going to send the Federal portion of that to the States and say, "You can decide how to spend this. You have 2 years for all the able-bodied people on welfare to turn that welfare check into a paycheck." That's what it says.

Now, the people who criticized me for signing it say that it will never happen and we can't do anything about it, and you're consigning these poor people to more poverty, and you're going to hurt the kids. I just honestly disagree with that. But I will tell you this: If we all lay down on the job, the new system will be worse for some poor people and their children than the old system. The problem is that the old system had limits on it. There are always going to be a certain core of people who are able-bodied who were never brought into the mainstream of society and who were left in what is an increasingly physical isolation from the rest of mainstream society. And it's wrong. And their kids were never going to get the chance they deserved. They were never going to have the future they deserved. And we were going to see a lot of people who never became part of the American mainstream.

And this new system, if we do it right, gives us the chance to do what we should have done all along, which is to take poverty out of politics and turn welfare into not just a State-based but a community-based program where people are dealt with as people.

All these folks are different. They have different abilities. They have different problems.

They have different hurdles to overcome. And we should have—in Stamford, Connecticut, or Hot Springs, Arkansas, where I graduated from high school, or any other place in the country—a community-based welfare program where the employers of the community, the churches, all the people who are interested in this are all working together. And everybody who gets a check knows that if they're able-bodied they've got to go to work if there's a job there. That's what we ought to have as a community-based program.

So here's the trick. How do you do that when you know that the Government still has a deficit, and we can't create enough public service jobs to hire these folks? So they have to be hired in the private sector. And I can ask you to help, but I can't ask you to do anything that undermines your own fundamental mission, which is to make your business a success.

That is what I want to talk about just a moment today because the welfare reform bill was just the first step. We now have to figure out how to reform welfare. That's very different than passing a bill. We actually have to go out and do it. And while the States and the communities will be able to do a lot of this, we still have certain responsibilities, one I am attempting to meet by giving special tax credits to people who hire people off welfare and keep them hired for a year. And we think that will help to move people, a million people, from welfare to work.

But let me also say that I'm particularly glad that Bill Esrey is here today, and one person who wanted to be here and couldn't is Bob Shapiro from Monsanto, because they have worked in Missouri with a program in Kansas City that I believe is what we ought to do everywhere. And that's why I've been going around challenging every business person who ever cussed out the welfare system to go see the Governor, go see the mayor, work out a system where business can participate in putting people back to work in ways that don't hurt the business.

How can we do it? My answer is, look at Kansas City. What they did was—and we gave them permission to do this; they had to change a lot of Federal rules. In Kansas City, they have a full employment council. They have one building where they do adult education, process people on welfare, deal with social problems, the whole nine yards. Business people, church peo-

ple, welfare people—everybody in the community is represented on this council.

Here's what we did to change the rules. They will give any employer who will hire someone new the welfare check for 4 years. If you hire somebody off welfare, you've got to pay them a minimum income that's over the minimum wage—I don't know exactly what it is now; it started out at \$6 an hour—but we'll give you the welfare check. So let's assume the welfare check is worth \$2.50 an hour; that's your premium for training people, for finding out what their problems are, for helping make sure their kids are going to be all right, for dealing with all of those things, and maybe dealing with somebody who has never been in the work force before and literally doesn't even know such elemental things as how to show up on time and do basic things. But this is it; you get it.

We're not asking you to do this totally out of the goodness of your heart. You take the welfare check, and you become the trainer. Now, consider what this will do. This means there won't be any big programs where you're gathering huge numbers of people; instead, you will be integrating people into the mainstream of American life. And if every business in the country, every church of any size in the country, every nonprofit in the country, everybody just hired one person, this problem would go away.

And then in future times, when the economy goes down and we have recessions, everybody would be treated the same. Unemployed people would just be unemployed people. They'd be in a tough time. We'd take care of them until the economy got going again. But there wouldn't be this separate class of people isolated as people on welfare unless they had some disability that prevented them from being in the mainstream. We wouldn't be isolating them anymore. This is important.

There are other things that can be done. There are some people who are represented here who have made investments in areas specifically so they could hire a disproportionate number of poor people. I know Eric Sklar of Burrito Brothers is doing that in the Washington area. Sandy Weill has a great program at Travelers, called the academy of finance, which is designed in part to train people who might become welfare recipients to stay off of it in the first place.

But I'm telling you, this is a problem we can solve. This is not rocket science. There is

X number of people on welfare who never seem to get off but who are physically and mentally able to work. Maybe they need substance abuse treatment. Maybe they need job training. Maybe they need something else. But now they're not categories anymore, they're people living in certain communities. And no one has an excuse anymore.

And all you need, if you want to participate in this, is to make sure that your Governors and your community leaders and your legislators make it possible for you to do what the business community can now do in a place like Kansas City. That's all you need to do.

I met—Bill and I were in Kansas City the other day with a guy that had 25 employees. It's a great small business story. He stored data for the Federal Government. And he won all these competitive bid contracts—25 employees. Five of them were former welfare recipients he had hired. And the way the Missouri program works is you have to promise to keep one person for a year unless they're really bad—they have to do something terrible—and then you don't have to keep somebody if they're just unemployable. But you can keep one person in a job slot for up to 4 years and get the welfare check.

However, you can keep the slot for 10 years. So if you can promote them up or they can go on to other jobs or whatever, you might do 10 people in one job slot. But it's a manageable thing, don't you see, in a big country like ours, with all of these different employment units and all of these different sizes; this is a manageable thing. We can do this.

And think how we'll feel if there's no politics in poverty. Think how we'll feel if we know that we treat everybody the same. And sure, at any given time in our country's life, there will always be some people out of work. But there won't be this separate class of people who

literally we have isolated and hurt terribly by not imposing more responsibility and giving more opportunity to, and their kids.

This is a huge deal. But let me say—I will say again, only the private sector in America can prove that I was right to sign that bill and those who thought I was wrong were wrong. The Government cannot hire all of these people. We still have a deficit. We're going to give the communities some funds if my next budget prevails—some funds so that communities can help. There are all kinds of things that need to be done in communities that can help in the short run as we go through a transition. But this has basically got to be a private sector show.

So that's the last point I want to make today. I am very gratified that every person here, every one of these executives has promised to do what they can to help us meet this national challenge. I thank you for that. And I want you to help me get more executives, more businesses in every community in the country to do it.

Thank you. Thank you, and God bless you all.

NOTE: The President spoke at 11:45 a.m. at the Rich Forum. In his remarks, he referred to Carolyn Straddle, president, CLS Paving; William T. Esrey, chairman and chief executive officer, Sprint Corp.; Paul Allaire, chairman and chief executive officer, Xerox Corp.; George David, chairman, United Technologies Corp.; Eli J. Segal, national chairman, Business Leaders for Clinton/Gore '96; Mayor Dannel P. Malloy of Stamford; Mayor Joseph P. Ganim of Bridgeport, CT; John Correnti, president, Nucor Corp.; Eric Sklar, chief executive officer, Burrito Brothers, Inc.; and Sandy Weill, chairman and chief executive officer, The Travelers Group, Inc. A portion of these remarks could not be verified because the tape was incomplete.

Remarks in Manchester, New Hampshire *October 7, 1996*

Thank you. Thank you. Ladies and gentlemen, 5 years ago today, on October 7th, 1991, I came to New Hampshire. I am told that I am the only sitting President since your own Franklin Pierce to actually come to New Hampshire

every single year of my Presidency. I can tell you that on this gorgeous fall day, looking out at all of you and seeing so many of you who have been my friends now through good times and bad, there may be someone in America